Alberta
ENERGY

Petroleum Plaza – North Tower
9945 – 108 Street
Edmonton, Alberta
Canada T5K 2G6

09-02

GAS ROYALTY CALCULATION INFORMATION BULLETIN
February 2009

A. PRICING RATES AND TRANSPORTATION INFORMATION
Pricing, Royalty Rates and Transportation Information – December 2008 2

B. NOTICES
Information on the Alberta Royalty Framework 2
Otherwise Flared Solution Gas (OFSG) Royalty Waiver Program 3
Historical Pricing and Royalty Data 3
Annual Weighted Average Gas Reference Price 3
Weighted Average Aggregator Overhead Marketing and Administration Charges (OMAC) 4
Monthly Sulphur Corporate Average Price Calculation - VA4 Form 4
Turnaround Time for Allowable Cost (AC) Submissions 5

C. MONTHLY INFORMATION
December 2008 Royalty Due March 31 5
January 2009 VA4 Due March 15 6
Registry Deadline Submissions 6
Interest Rate February 2009 6
November Provisional Assessment Charge 6
November Penalty Charges 6
Gas Royalty Calculation Support 7

D. INFRASTRUCTURE DATA CHANGES
Client ID Listing 7
Client Status Changes 8
Nova Tolls – Multiple Gas Reference Prices 8

E. REMINDERS
Royalty Liable Gas Used for Fuel (PURREC and PURDISP) System Enhancement in PRA 8
Capital Cost Allowance Filing - Expected AC2 Reports on the Registry 9
Submission of Production Year 2008 Allowable Cost (AC) and Corporate Average Price Calculation (VA) Submissions 10
2008 AC4 Filing – Allowable Operating Costs 11
Custom Processing Allowance Fees Paid – Expected AC5 and Energy Adjusted Gas Equivalent Volume (EAGEV) Reports on the Registry 11
New and Revised Meter Station Factors 13
Terminating RMF2s 13
Update - Statutory Requirement and Recalculation of 2004 Royalty 13

F. POINTS OF CONTACT
Petroleum Registry of Alberta 14
Alberta Energy Internet 14
Gas Royalty Client Services 14
Reference Prices and Valuation Allowances Calculation Information 16

PLEASE ENSURE YOUR PRODUCTION ACCOUNTANTS RECEIVE A COPY OF THIS DOCUMENT.

A. PRICING RATES AND TRANSPORTATION INFORMATION

For Pricing, Royalty Rates and Transportation Information for December 2008, refer to Attachments 1, 1A, 2, 2A, and 3. These attachments are also available in Excel format.

B. NOTICES

Information on the Alberta Royalty Framework

Details on the changes to the Natural Gas Deep Drilling Program, New Royalty Formula and Gas Cost Allowance are available on the Alberta Energy Internet address: www.energy.alberta.ca. From "Our Business", navigate to "Natural Gas", "Legislation, Guidelines & Policies", "Gas Royalty Information Bulletins". These documents are also available under "About Us", navigate to "Royalty Framework".

Monthly Allowable Cost Estimates

With reference to the changes on Gas Cost Allowance, the following two new reports have been designed to show the calculated go-forward estimated costs for a production year. These reports will be sent to royalty clients using the same mode of delivery as that of their invoice, and will be available in CSV, PDF, and TXT formats.

1. **The Allowable Cost Estimates (ACEST) report**
   This report shows the calculated allowable cost estimates for capital, operating and custom processing at each Energy Resources Conservation Board (ERCB) facility, as well as the go-forward Facility Effective Royalty Rate (FERR).

   The initial report that shows the 2009 calculated go-forward estimates will be issued to royalty clients by the beginning of March 2009, before the January 2009 Billing Period (BP) invoice runs. Clients may submit a written request for an amendment to their go-forward estimated costs. The request is subject to department's review and approval.

   Whenever there is a recalculation of the go-forward estimates in the system, the system will re-issue this report.

2. **The Monthly Allowable Cost Deduction (ACMTH) report**
   This report shows the details of the calculation of the estimated monthly Crown share of allowance for capital, operating and custom processing, to support the current month's Crown share of allowance on the invoice. It will be sent monthly as part of the client's invoice package.

Amended Cost Estimates for the 2008 and 2009 Production Years

If a 2008 go-forward cost estimate was reviewed and manually changed before the December 2008 BP invoice, the system will replace it with a new cost estimate calculated for 2009 in the January BP invoice. This new cost estimate will not take into consideration any information previously provided.

For new royalty clients with no cost history, if a go-forward cost estimate was manually processed for the 2008 production year, the system will not automatically set up a 2009 go-forward estimate. The clients must submit a written request together with supporting documentation for setting up their estimate.

If a go-forward cost estimate is manually processed in January, February, March or April production months, the system will not replace it with a new go-forward estimate in the IABP invoice run. A client must submit a written request for a subsequent adjustment to be made.

Annual Allowable Cost (AC) Forms for 2009

The department will introduce new versions of the AC forms and will not accept the current versions for 2009 and subsequent production years' cost reporting.

If you require further information on these changes, please contact your respective Gas Royalty Client Services portfolio representative as identified in Section F of this bulletin.

Otherwise Flared Solution Gas (OFSG) Royalty Waiver Program

The department reminds royalty clients that the OFSG program, for wells that have received ten years of OFSG royalty waiver, will end with production month January 2009. Should you have any questions, please contact Joyce Chen at 780-422-8083.

For the initial list of pre-qualified OFSG well events, you can go to the Information Bulletin – August 1999.

For the existing OFSG well events, you can go to Otherwise Flared Solution Gas Royalty Waiver Program (OFSG) Wells, for a MS Excel version or Adobe Acrobat version.

For applicable business rules and compliance information for the OFSG program, you can go to the Alberta Natural Gas Royalty Guidelines 2006 (Chapter 5, Section 2) and Natural Gas Royalty Regulation, 2002 (Schedule 8).

Historical Pricing and Royalty Data

Attachment 4 is a listing of historical royalty related data for information purposes.

Annual Weighted Average Gas Reference Price

The Annual Weighted Average Gas Reference Price for 2008 is $7.41. This price is used in the calculation to determine the 2008 minimum price for the Gas Corporate Average Price. Refer to Chapter IV, Section 1.9.6.3 of the Guidelines for additional information.

Weighted Average Aggregator Overhead Marketing and Administration Charges (OMAC)

For Gas Corporate Average Price (CAP) filers, when determining the netback value, the weighted average OMAC type charges may be deducted for sales to non-designated aggregators. Refer to Chapter IV, Section 1.9.6.1 of the Guidelines for additional information.

The Weighted Average Aggregator OMAC ($/GJ) for 2008 is $0.019. Refer to Chapter IV, Sections 1.5.7 of the Guidelines for additional information.

Monthly Sulphur Corporate Average Price Calculation – VA4 Form

The department requires royalty clients with an annual sulphur production of 30,000 tonnes or greater in the 2008 production year to file VA4 forms monthly, beginning with the January 2009 production month. The VA4 form is due on or before the 15th day of the second month following the respective production month. A royalty client whose annual sulphur production is less than 30,000 tonnes may choose to file the VA4 forms monthly beginning with January's production month; however, if this choice is made, the client must file VA4 forms for the entire year. The department will use the VA4 forms to determine each client's monthly Sulphur Corporate Average Price (S-CAP) and the monthly sulphur default price. We calculate each month's sulphur default price as the weighted average unit value of all arms length sales for all clients who filed VA4 forms for that month. The department will value and invoice the Crown royalty share of sulphur production monthly using the respective S-CAP price for clients who file VA4 forms, and the sulphur default price for clients who chose not to file VA4 forms. The VA4 form is subject to $100 in late filing penalties for each month or part of the month the form is past due. The VA4 form for the production month of January 2009 is due in the department by March 17, 2009.

Royalty clients who file monthly VA4 forms must file annual VA3 forms. The VA3 form remains the primary sulphur valuation tool and the S-CAP determined from each VA3 will replace the entire year's monthly prices determined from the VA4 forms. The VA3 is due on or before April 15th of the year following the year of production. Interest is charged/paid on the Crown royalty difference when adjusting from monthly to annual valuation. The VA3 form is subject to a one-time $1,000 late filing penalty.

The following royalty clients must submit VA4 forms effective with the 2009 production year, which includes any pricing information for each of its consolidated/amalgamated entities:

Client ID	Client Name	Client ID	Client Name
0017	IMPERIAL OIL RESOURCES	0KT5	ESPRIT EXPLORATION LTD.
0039	TALISMAN ENERGY INC.	0PF8	HUNT OIL COMPANY OF CANADA, INC.
0054	SUNCOR ENERGY INC.	0R46	HUSKY OIL OPERATIONS LIMITED
0060	BP CANADA ENERGY COMPANY	0W9D	CONOCOPHILLIPS CANADA (BRC) PARTNERSHIP
0226	NEXEN INC.	0WW6	HIGHPINE ENERGY LTD.
0246	PETRO-CANADA	0YT7	MANCAL ENERGY INC.
0BP8	PENN WEST PETROLEUM LTD.	A05T	MEC OPERATING COMPANY ULC
0CW8	COMPTON PETROLEUM CORPORATION	A08J	ENERPLUS OIL & GAS LTD.
0D7E	ENCANA OIL & GAS PARTNERSHIP	A0L6	FAIRBORNE PIVOTAL PRODUCTION PARTNERSHIP
0F3F	DEVON CANADA	A162	DAYLIGHT ENERGY LTD.
0HE9	CANADIAN NATURAL RESOURCES LIMITED	A2F0	SHELL CANADA ENERGY
0JT1	EXXONMOBIL CANADA ENERGY	A2TG	TAQA NORTH LTD.

Turnaround Time for Allowable Cost (AC) Submissions

Facility Cost Centre Set-up/Change (AC1)
With the upcoming March 1 deadline of AC1 submissions for 2008, new FCC set-ups submitted through batch or on-line will be processed by the department within a half-day turnaround time and these requests will not be delayed due to an invoice cycle. All other FCC changes will be processed overnight and will not occur during an invoice cycle. AC1s submitted on the weekend and on any statutory holiday will not be processed until the next business day.

Annual Allowable Cost Submissions (AC2, AC3, AC4 and AC5)
AC2, AC3, AC4 and AC5 are processed nightly except:

- During an invoice cycle, and
- Submissions made on a weekend or on any statutory holiday, which will not be processed until the next business day.

C. MONTHLY INFORMATION

December 2008 Royalty Due March 31

- **Royalty clients are to remit the total amount payable shown on the March 2009 Statement of Account by March 31, 2009.** If the amount payable includes accrued current period interest, the interest has only been accrued to the statement issue date. Clients must also include the additional interest that has accrued from the statement issue date to the date of payment, using the per diem amount provided.

- **The March 2009 Statement of Account shows your amount payable as of the Statement issue date. It includes any outstanding balances from your previous statement, your**

December 2008 invoice amount and any applicable current period interest charges. It also identifies refunds resulting from overpayments.

- Current period interest will not be charged on current invoice charges for the production month of December 2008 if it is paid in full by March 31, 2009.
- Current period interest will accrue on any overdue charges commencing the first day after the due-date until it is paid in full.
- **Note: If the due date falls on a non-business day, the next business day will apply as the due date.**
- Cheques are payable to the Minister of Finance, Province of Alberta.

January 2009 VA4 Due March 15

The VA4 forms for the production month of January 2009 are due in the department offices by March 15, 2009.

Note: If the due date falls on a non-business day, the next business day will apply as the due date for VA4 forms.

Registry Deadline Submissions

The Registry deadline submissions for SAF, OAF, and Volumetrics are posted in the Petroleum Registry of Alberta website "Reporting Calendars" under Bulletin Board.

Changes to this calendar will be posted on the Registry website home page in "Broadcast Messages."

Interest Rate February 2009

Alberta Energy's interest rate for February 2009 is 4.00%.

November Provisional Assessment Charge

The summary of Provisional Assessment Charges for all production periods in the November 2008 billing period was:

First Time Provisional Assessment	Reversals of Provisional Assessments	Net Provisional Assessment
$2,294,474.94	($4,608,483.99)	($2,314,009.05)

November Penalty Charges

The penalty table below shows at the form level, the total penalty charges and reversals, for the November 2008 billing period:

Form	Penalty Charges	Penalty Reversals	Net Penalty Charges for 2008/11
AC2	$35,400	($30,800)	$4,600
AC4	$2,200	($200)	$2,000
AC5	$7,300	($2,400)	$4,900
GR2	$0	$0	$0
NGL1	$0	$0	$0
VA2	$0	$0	$0
VA3	$0	$0	$0
VA4	$200	$0	$200
Total	$45,100	($33,400)	$11,700

Gas Royalty Calculation Support

Gas Royalty Calculation staff will be available monthly to meet with clients who need assistance with royalty reporting. Royalty clients requiring assistance are encouraged to contact your respective Gas Royalty Client Services portfolio representative, as identified in Section F of this bulletin, two business days before the meeting date to arrange an appointment. The scheduled date is as follows:

Where:
AMEC Place
Room 437, 801-6 Avenue SW
Calgary, Alberta
Phone: 403-297-8954
(Industry must go to the 3rd Floor Reception upon arrival to sign-in and be given a visitor tag)

When: (10 am to 3 pm)
March 26, 2009

D. INFRASTRUCTURE DATA CHANGES

Client ID Listing

The BA Identifiers Report is a directory of Business Associate (BA) names, codes, status (e.g. struck, active, amalgamated, etc.), status effective dates, and effective August 2004, includes Working Interest Owner (WIO) role start/end dates.

This report is also published daily on the Petroleum Registry website at:

http://www.petroleumregistry.gov.ab.ca

The department reminds Business Associates to review their WIO role to ensure the start and end dates are reflected correctly. If the BA does not have an active WIO role, the operators cannot allocate volumes to the BA for the relevant production periods through the SAF/OAF allocations.

- If a BA has a WIO role, then that BA can receive SAF/OAF allocations from the WIO role start date forward.

- If a BA has a WIO role with an end date, then they can only receive SAF/OAF allocations from the WIO role start date until the end date. Any SAF/OAF allocations after the end date will be rejected.

- If a BA does not have a WIO role start date, then that BA cannot receive SAF/OAF allocations.

Please contact Client Registry at 780-422-1395 if you have any questions regarding the information supplied on this listing.

Client Status Changes

Clients must ensure that all royalty documents are completed using only valid client names and IDs. It is critical that royalty clients use current legal client names and their appropriate IDs on all documents to ensure accurate royalty calculation and to prevent provisional assessment and penalties. Rejects will occur when invalid IDs are used.

If you require information regarding client names or IDs, please contact Client Registry at 780-422-1395.

Nova Tolls - Multiple Gas Reference Prices

Royalty information related to the implementation of the Factor Model negotiated with industry for determining Multiple Gas Valuation Prices is provided on the Natural Gas website's Royalty Related Information page under Facility Royalty Trigger Factors and Meter Station Ties.

E. REMINDERS

Royalty Liable Gas Used for Fuel (PURREC and PURDISP) System Enhancement in PRA

When there is a sale of gas or transfer of ownership within the royalty network the gas volume is subject to royalty. Currently where the gas is sold and is used for fuel, it must be reported as a "PURREC" (Purchased Receipt) by the facility operator receiving it. This auto creates a PURDISP at the seller's facility.

For example: If a Gas Plant (GP) sells gas for fuel to a Battery (BT) each month, the reporting is:
1. The BT operator must report a PURREC.
2. This will auto populate a PURDISP at the GP.
3. The GP operator must then file a SAF/OAF for the PURDISP.

To enhance the controls to prevent fuel gas volumes being incorrectly reported, the department, in consultation with PRA, will be implementing a change in the reporting responsibility within PRA such that the reporting will be reversed – i.e. the Seller will be required to report PURDISP which

would then auto create the PURREC for the Purchaser. This shift in responsibility and reporting has been scheduled in June 2009. Further updates will follow.

Capital Cost Allowance Filing - Expected AC2 Reports on the Registry

The Crown deducts allowances for costs incurred and paid in Alberta for compressing, gathering and processing its royalty share of gas and gas products. The Facility Cost Centre (FCC) operator, on record at year end, is responsible for filing the capital cost allowance data (AC2-V3) via the Registry.

The Expected AC2 Report identifies the FCC operator as of a specific date and is generated to aid FCC operators in verifying their status as well as effective date. In addition, it identifies whether a valid Capital Cost Allowance (AC2) was submitted for a production year.

The Expected AC2 Report is grouped by an Energy Resources Conservation Board (ERCB) Facility and related FCC. The report displays the following:

- Facility ID and Facility Name
- FCC ID and FCC Name
- "Y"(yes) and "N"(no) Indicators to identify whether or not the FCC is fully depreciated
- The FCC Operator Effective Date
- "Y"(yes) and "N"(no) Indicator to determine whether or not an AC2 was submitted for the production year
- All consolidated/amalgamated companies have been included within this report, where applicable.

The information in the report reflects the department's records as of the file preparation date and does not reflect submissions subsequently received and/or processed. Any submissions (AC1, AC2, Invoice Consolidation Concurrence – ICC1, etc) processed after the report date will not be shown. Please note that absence of a company name or FCC from these reports will not be an acceptable reason to waive a penalty once assessed.

The Expected AC2 Report is available in PDF, TXT and CSV formats and is generated weekly during the Gas Cost Allowance reporting season. Effective Monday February 2, 2009, and each Monday thereafter to Monday, May 11, 2009, with the exception of Mondays that are scheduled during invoice processing, the Expected AC2 reports are available on the Registry. This report may be requested on demand, on a client basis, by contacting your respective Gas Royalty Client Services portfolio representative as identified in Section F of this bulletin or Will Wong at 780-415-0755.

If you are not the operator for the FCC identified on the report, please submit a Facility Cost Centre Set-Up/Change (AC1-V2) via the Registry identifying the change in operator and its effective date. An AC1 submission identifying an FCC change in operator is due on or before the last day of the month following the production month in which the change occurred. For information regarding the AC1-V2 submission, please refer to Chapter VI, Section 2 of the Alberta Natural Gas Royalty Guidelines, July 2006.

Please note that FCCs that are shut-in or terminated for an entire production year will not appear on the report. Operators of fully depreciated (zero remaining useful life) FCCs remain responsible

for AC2-V3 submissions. Submissions are required to ensure the department has correctly identified Capital Cost Allowance allocations and Custom Processing Adjustment Factors for the FCC. AC2-V3 submissions will also prevent operating cost recaptures for royalty clients with ownership interest in an FCC.

AC2-V3 submissions are required to be filed on the Registry. An AC2-V3 can be entered online or by batch. If a system acceptable AC2-V3 submission is not received and processed by the filing deadline (April 30 of the year following the production year to which it relates) a penalty will be assessed. For information regarding the AC2-V3 submission, please refer to Chapter VI, Section 3, of the Alberta Natural Gas Royalty Guidelines, July 2006. Please contact The Petroleum Registry of Alberta, Service Desk, regarding access to or utilization of the registry at 1-800-992-1144.

Submission of Production Year 2008 Allowable Cost (AC) and Corporate Average Price Calculation (VA) Submissions

Royalty clients are advised that Allowable Cost submissions (AC1, AC2, AC3, AC4 and AC5) and Corporate Average Price calculation submissions (VA2 and VA3) for the 2008 production year are due on the following dates:

Form Type	*Due Date*	*Penalty*
AC1	March 02, 2009	-
AC4	March 31, 2009	$200/Form/Year until received
VA2	April 15, 2009	$1,000/One time only
VA3	April 15, 2009	$1,000/One time only
AC2	April 30, 2009	$100/Form/Month until received
AC3	May 15, 2009	-
AC5	May 15, 2009	$100/Form/Month assessed when form is received

Please note that all allowable cost submissions (initial and amended filings for current and prior production years) by FCC operators are required to be completed on the Registry. Although use of the Registry to submit AC3 and AC5 data is mandatory for operators, it remains voluntary for non-operators. However, non-operators are strongly encouraged to use the Registry to submit and retrieve their AC3 and AC5 data. The business rules and submission method for VA2 and VA3 submissions remain the same with notification from the department informing clients that their submissions have been processed. Annual allowable cost submissions are processed nightly except during an invoice run cycle. New facility cost centre set-ups are processed within four hours of receipt if received in the morning with an overnight turnaround if received in the afternoon. Processing of new facility cost centre set-ups continue during an invoice run cycle. The Corporate Average Price submissions are processed as they are received.

The department encourages timely submissions to allow sufficient turnaround time for corrections. Non-operators are particularly encouraged to file their Corporate Average Price submissions timely by mail or direct delivery to the Calgary Information Centre. The font size on faxed forms must be 10 pt or greater and must not be bold. Penalties will apply where valid system acceptable submissions are not received by the filing deadline. Barring the department's responsibility, inability to submit annual cost submissions on the Registry and/or illegible script will not reverse a penalty once imposed.

Should you have any questions or require clarification regarding these matters, please contact Will Wong at 780-415-0755 or e-mail Will.Wong@gov.ab.ca.

2008 AC4 Filing - Allowable Operating Costs

The operator of a Facility Cost Centre (FCC) that is tied to a designated facility, or is a processing type FCC tied to a non-designated facility that is a sweet or sour gas plant, is required to report annual operating costs on the AC4 submission to the department, describing the allowable operating costs of the FCC for each year. Should an AC4 not be submitted, no operating costs for the FCC will be applied in the calculation of the Unit Operating Cost Rates (UOCR) for the following year.

The due date for the 2008 AC4-V2 is **March 31, 2009**. FCC operators are encouraged to submit their AC4-V2 submissions prior to the due date to allow for correction turnaround should rejections occur. Penalties will apply where valid system acceptable submissions are not received by the filing deadline. The 2008 AC4 reminder notices will be sent to operators, via the Registry, identifying those FCCs for which an AC4-V2 is required. AC4 reminder notices will be loaded on the Registry on the following dates:

- February 2, 2009
- February 13, 2009
- March 2, 2009
- March 9, 2009
- March 16, 2009
- March 31, 2009
- April 3, 2009

AC4 turnaround documents will not be produced as all corresponding data will be available on the Registry following processing of the data transfer files from the Mineral Revenue Information System (MRIS). AC4 rejection notices are also delivered to operators via the Registry.

Commencing the first week in March, a listing of outstanding AC4 forms will be published on the Natural Gas website's Royalty Related Information page under Royalty and Related Information Review. Please scroll to the updates near the bottom of the page and select **Outstanding AC4s for 2008** to open the most recent listing. Updates should be monitored closely in order to resubmit rejected submissions on or before March 31, 2009.

If you have any questions, please contact your respective Gas Royalty Client Services portfolio representative as identified in Section F of this bulletin or contact Will Wong at 780-415-0755 or e-mail Will.Wong@gov.ab.ca.

Custom Processing Allowance Fees Paid – Expected AC5 and Energy Adjusted Gas Equivalent Volume (EAGEV) Reports on the Registry

Royalty clients that have incurred and paid for compressing, gathering and/or processing gas and gas products on a fee-for service basis, in Alberta, are required to submit an AC5-V3 to the department by May 15 of the year following the production year to which it relates. This includes

custom processing fees associated with freehold, purchased, and out-of-province volumes. The Expected AC5 Report provides a complete list of the Energy Resources Conservation Board (ERCB) facilities and related Facility Cost Centers (FCCs) where the operator has allocated custom user volumes to the royalty client in Part 5 (Custom Processing Adjustment Factor) of a Capital Cost Allowance AC2-V3 submission.

This report is generated to aid royalty clients in identifying the ERCB facilities and FCCs that **require** the royalty client to file an AC5-V3. The information in the report identifies the department's records as of the file preparation date and does not reflect submissions subsequently received and/or processed.

The Expected AC5 Report is grouped by ERCB Facility and related FCC. The report displays the following:

- FCC ID, FCC Name & FCC Type
- Operator ID and Name allocating custom user volumes
- Allocated Custom Processing (CP) volumes in 10^3m^3

In addition, as of the report generation date, there are "Y" (yes) and "N" (no) indicators for the previous and current production years that identify whether the:

- department has received a valid AC5-V3 submission for the royalty client and
- whether the ERCB facility has been reported on the AC5-V3 submission.

The EAGEV report is generated for all royalty clients and identifies volumetric allocations for volumes produced (SAF/OAF and RMF2) at ERCB facilities. This report should be used in conjunction with an Expected AC5 Report as a royalty client cannot file an AC5-V3 submission unless volumes have been reported at ERCB facilities identified on the EAGEV report. In addition, if a royalty client has custom user volumes which do not appear on the Expected AC5 Report, this indicates that the operator has not identified the client on the AC2-V3 submission. This inconsistency may indicate filing discrepancies that require an amendment by the facility operator.

If a system acceptable AC5-V3 submission is not received and processed by its filing deadline (May 15 of the year following the production year to which it relates) it is subject to penalty charges upon receipt. Please note that the absence of a company name or an FCC from these reports will not be an acceptable reason for a waiver of penalty. For information regarding the AC5-V3 submission, please refer to Chapter VI, Section 6 of the Alberta Natural Gas Royalty Guidelines, July 2006.

Both the Expected Custom Processing Fees Paid (AC5) report and the EAGEV report are available in PDF, TXT and CSV formats. Effective Friday, February 6, 2009 and each Friday thereafter to Friday, May 29, 2009, with the exception of Fridays that are scheduled during invoice processing, the Expected Custom Processing (AC5) report and the EAGEV report are delivered on the Registry for retrieval. Operators of FCCs must utilize the Registry to retrieve these reports. The delivery of the EAGEV report on these specific dates is intended for the convenience of the client only, and is not intended to replace the normal delivery and/or availability of the report that is scheduled monthly. Non-FCC operators and other royalty clients that currently submit and receive hard documents will continue to receive the Expected AC5 report accompanied with an EAGEV report, by mail, on the same delivery schedules prescribed above.

In addition, both reports may be requested on demand, on a client basis, by contacting your respective Gas Royalty Client Services portfolio representative as identified in Section F of this bulletin or Will Wong at 780-415-0755 or email Will.Wong@gov.ab.ca.

Electronic filers are required to submit their Allowable Cost forms via the Registry. Contact the Petroleum Registry of Alberta Service Desk regarding access to or utilization of the Registry. To contact the Petroleum Registry of Alberta Service Desk call: 1-800-992-1144.

Please be reminded that the deadline for filing an AC5-V3, for the production year 2008, is **May 15, 2009.**

New and Revised Meter Station Factors

The department has published in Information Letter 2008-33, new and revised Meter Station Factors. Meter Station Factors for new meter stations are effective for the production periods November 2005 to September 2008. Meter Station Factors for those prescribed effective the October 2008 production period until otherwise changed are also identified in this Information Letter.

If you have any questions, please contact Bill Zanewick, Director Gas Royalty Valuation and Markets at 403-297-5465 or e-mail at bill.zanewick@gov.ab.ca.

Terminating RMF2s

The Department Records indicate that clients are not terminating RMF2s when:

1. A client that is an Assignor or Assignee on the RMF2 is amalgamated with another client and has passed the Amalgamated Established Date (AED).
2. A client that is an Assignor or Assignee on the RMF2 has terminated their Working Interest Owner (WIO) role.
3. A client has never had the WIO role.

The department now terminates RMF2s that allocate to clients that fall into these categories.

If there is more than one Assignee on the RMF2, the percentage allocated to the client without a WIO role, a terminated WIO role, or their AED has passed, would be passed back to the Assignor. In the case where there is only one Assignee, the RMF2 will be terminated.

If you require further information on these changes, please contact your respective Gas Royalty Client Services portfolio representative as identified in Section F of this bulletin.

Update - Statutory Requirement and Recalculation of 2004 Royalty

A production year becomes statute barred on December 31st, four years after the end of a production year. Once a year has become statute barred, calculation or recalculation of royalty does not occur on a monthly basis. Section 38 of the *Mines and Minerals Act* provides for recalculation of royalty.

Audits in Progress
Non-operator partners are advised that certain 2004 allowable costs, custom processing fees, capital costs and custom processing adjustment factor (CPAF), and volumetric reporting discrepancy audits are currently in progress.

However, completion of the audits and royalty recalculations and assessments, if required, will occur in 2009. For an initial list of the affected ERCB facilities, refer to Attachment 5.

Royalty clients are also reminded that amendments received by the department in the fourth year following the production year may be subject to audit. If the amendments are received late in the fourth year and insufficient time is available for the department to commence a review of the amendments prior to the end of the year, the department reserves the right to commence the audit at the beginning of the fifth year.

If you have any questions, please contact Kris Pretty of the Compliance & Assurance group at 403-297-8785.

F. POINTS OF CONTACT

Petroleum Registry of Alberta

The Petroleum Registry of Alberta Service Desk is the focal point for communications with the Registry regarding preparations for, access to, or utilization of the Registry. To contact the Petroleum Registry of Alberta Service Desk call: 1-800-992-1144.

Alberta Energy Internet

Prices, Royalty Rates, and Transportation Information are available on the Alberta Energy Internet address: www.energy.alberta.ca, from "Our Business", navigate to "Natural Gas", "About Natural Gas", "Prices", "Alberta Natural Gas Reference Price (ARP)".

In addition, both the Gas Royalty Calculation Information Bulletins and Information Letters are also available under "Our Business", navigate to "Natural Gas", "Legislation, Guidelines & Policies".

Gas Royalty Client Services

Gas Royalty Client Services is structured as a Business Associate client portfolio system, which assigns a given Business Associate to one of four Client Service teams. Listed below is the portfolio breakdown along with Client Service Team Leads and phone numbers. The portfolios are divided by company name and not by BA ID.

Example: If your company name is the "Gas Company" you would call C – G team at 780-644-1202.

Numbered companies, A, B & L	780-644-1201 GRCST1@gov.ab.ca	Chris Nixon
C – G	780-644-1202 GRCST2@gov.ab.ca	Jyoti Bhambhani
H – P (excluding L)	780-644-1203 GRCST3@gov.ab.ca	Chris Nixon
Q - Z	780-644-1204 GRCST4@gov.ab.ca	Jyoti Bhambhani

Gas Royalty Reception: 780-422-8727
Fax: 780-427-3334 or 780-422-8732
Alberta Toll Free: 780-310-0000

Hours of operation are 8:15 a.m. to 4:30 p.m. Voice messages left after 4:30 p.m. will be answered the next business day.

In situations where a company has just amalgamated or purchased another company, the general rule is to call the team that is responsible for the "Supra" business associate, or Royalty payer.

Below are some guidelines for clients who are unsure which Client Services Team to call regarding their questions.

1. **Amalgamation/consolidation** - Call the team responsible for the "Supra" business associate (Royalty Payer).
   i.e. ABC Oil and Gas amalgamates with Zed Exploration and Zed is the amalgamator (royalty payer). When calling Client Services regarding business for ABC Oil and Gas, you would call Team 4 (Q-Z) (780-644-1204) because Zed Exploration is now the Supra business associate and royalty payer. This rule would apply even if you were calling regarding business that is prior to the acquisition or amalgamation.

2. **Asset Purchase** - Call the team responsible for your company.
   i.e. 123 Gas purchases the assets of TSP Exploration, but not the company. When calling Client Services regarding business for 123 Gas, you would call Team 1 (# Co., A, B, & L) (780-644-1201) because you have only purchased assets.

3. **Consultants/service providers** - If you have a contract to provide production accounting services to a company, call the team responsible for your client's company.
   i.e. Paul Snow Consulting Services enters into a contract with Duckback Oil and Gas and Olive Oil and Gas. Paul Snow would contact Team 2 (C-G) (780-644-1202) to discuss Duckback Oil business and Team 3 (H-P excluding L) (780-644-1203) to discuss Olive Oil and Gas business. At the time the contract is signed, Paul Snow would have had each company notify the appropriate team that he was authorized to access information for their company.

Reference Prices and Valuation Allowances Calculation Information

Gas Royalty Valuation and Markets
300, 801 – 6 Avenue SW
Calgary, Alberta T2P 3W2
Telephone: 403-297-5514
Fax: 403-297-5400

Salim Merali, Acting Branch Head
Royalty Operations – Edmonton
Resource Revenue and Operations Division

Attachments

2008 GAS AND ISC PRICES

MONTH	Gas Reference Price ($/GJ)	Methane ISC Reference Price ($/GJ)	Methane ISC Par Price ($/GJ)	Ethane ISC Reference Price ($/GJ)	Propane ISC Reference Price ($/GJ)	Butane ISC Reference Price ($/GJ)	Pentanes plus ISC Reference Price ($/GJ)
JAN	6.19	6.13	6.13	6.61	6.80	6.83	6.86
FEB	6.72	6.66	6.66	7.20	7.40	7.44	7.46
MAR	7.52	7.45	7.45	8.09	8.30	8.33	8.33
APR	8.11	8.05	8.05	8.64	8.87	8.89	8.92
MAY	8.92	8.86	8.86	9.43	9.60	9.62	9.64
JUN	9.81	9.75	9.75	10.36	10.53	10.57	10.62
JUL	9.84	9.82	9.82	10.05	10.03	10.05	10.06
AUG	7.35	7.31	7.31	7.72	7.82	7.84	7.85
SEPT	6.28	6.26	6.26	6.47	6.48	6.50	6.53
OCT	6.27	6.24	6.24	6.54	6.59	6.60	6.61
NOV	6.25	6.21	6.21	6.69	6.84	6.86	6.88
DEC	6.36	6.32	6.32	6.69	6.82	6.86	6.89

Natural Gas and NGLs Select Prices for 2008

Commodity	2008
New Methane	1.496 $/GJ
Old Methane	0.441 $/GJ
New Ethane	1.496 $/GJ
Old Ethane	0.441 $/GJ
Propane	1.496 $/GJ
Butane	1.496 $/GJ
Pentanes plus	53.49 $/m3

Royalty Factors for Pentanes plus

	Base	Marginal
New Pentanes	22	35
Old Pentanes	22	50

DETAIL OF THE DECEMBER 2008 GAS AND ISC REFERENCE PRICES

	Gas	Methane	C2-IC	C3-IC	C4-IC	C5-IC
Weighted Average Price of Alberta	6.715	6.699	6.920	6.989	6.994	6.993
Deductions: Intra – Alberta Transportation	0.266	0.283	0.161	0.114	0.088	0.066
Marketing Allowance	0.012	0.012	0.012	0.012	0.012	0.012
Price Before Pipeline Factor	6.437	6.404	6.747	6.863	6.894	6.915
Pipeline Fuel/Loss Factor	0.990	0.990	0.990	0.990	0.990	0.990
Price before Special Adjustment	6.371	6.338	6.678	6.793	6.823	6.844
Special Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
Price before 2% amendment limitation or rounding	6.371	6.338	6.678	6.793	6.823	6.844
Amendments: Carry forward (from previous RP month)	-0.003	-0.001	0.002	-0.002	0.001	0.003
Prior Period Amendment Adjustment (current RP month)	-0.012	-0.017	0.012	0.029	0.039	0.046
Calculated RP after Amendments	6.356	6.320	6.692	6.820	6.863	6.893
December 2008 Reference Price	**6.36**	**6.32**	**6.69**	**6.82**	**6.86**	**6.89**
Difference = value carried forward to next RP month	-0.004	0.001	0.002	0.000	0.003	0.003
Adjusted IATD (before Prior Period Amendments)	[redacted]	0.280	0.160	0.112	0.087	0.066
Prior period Amendments (IATD and Pipeline Fuel Loss)	[redacted]	0.000	0.000	0.000	0.000	0.000
Adjusted IATD (after Prior Period Amendments)	[redacted]	0.280	0.160	0.112	0.087	0.066

2008 Weighted Average Gas Reference Price ($/GJ)
7.412

2008 Weighted Average OMAC ($/GJ)
0.019

2008
NATURAL GAS LIQUIDS PRICES

MONTH	Ethane Reference Price ($/GJ)	Ethane Par Price ($/GJ)	Propane Reference Price ($/m3)	Propane Par Price ($/GJ)	Propane Floor Price ($/m3)	Butanes Reference Price ($/m3)	Butanes Par Price ($/GJ)	Butanes Floor Price ($/m3)	Pentanes plus Reference Price ($/m3)	Pentanes plus Par Price ($/m3)	Sulphur Default Price ($ per tonne)
JAN	6.61	6.61	379.50	6.80	324.38	533.35	6.83	402.11	631.90	615.30	189.25
FEB	7.20	7.20	372.15	7.40	326.74	510.61	7.44	361.31	642.42	621.84	233.95
MAR	8.09	8.09	366.78	8.30	336.54	536.12	8.33	370.17	722.53	700.18	156.12
APR	8.64	8.64	391.64	8.87	359.16	570.73	8.89	402.66	803.40	785.56	319.79
MAY	9.43	9.43	417.08	9.60	383.50	600.75	9.62	446.12	852.62	836.89	441.28
JUN	10.36	10.36	431.45	10.53	404.71	637.23	10.57	475.15	904.18	884.40	383.60
JUL	10.05	10.05	440.23	10.03	410.70	643.13	10.05	455.54	891.11	853.74	558.76
AUG	7.72	7.72	395.10	7.82	383.85	635.03	7.84	436.09	803.56	777.97	493.76
SEPT	6.47	6.47	388.49	6.48	367.84	547.47	6.50	365.29	726.70	687.17	456.74
OCT	6.54	6.54	295.14	6.59	282.02	502.35	6.60	276.16	570.63	547.66	112.35
NOV	6.69	6.69	226.90	6.84	221.36	332.63	6.86	192.71	412.32	411.55	185.59
DEC	6.69	6.69	201.43	6.82	184.67	262.88	6.86	142.61	327.85	317.71	34.43

ANNUAL SULPHUR DEFAULT PRICE				
2003	2004	2005	2006	2007
$31.24	$31.88	$33.98	$18.82	$32.82

2008
NGL TRANSPORTATION ALLOWANCE AND DEDUCTIONS

MONTH	PENTANES PLUS (a) REGION				PROPANE AND BUTANE (b) REGION				PENTANES PLUS, PROPANE & BUTANE (c) REGION				FRAC. ALLOW. (per m3)
	1	2	3	4	1	2	3	4	1	2	3	4	
JAN	17.37	-0.22	62.47	29.39	35.99	24.98	32.04	15.08	44.40	38.81	63.16	51.03	16.50
FEB	13.43	3.95	64.16	30.61	34.76	29.17	25.89	13.45	52.91	46.63	53.16	50.46	16.50
MAR	0.67	16.56	94.84	41.39	36.16	45.23	35.64	15.92	60.46	56.46	92.37	60.25	16.50
APR	14.81	5.88	82.39	12.17	26.49	37.71	48.56	27.73	74.50	62.42	92.34	74.22	16.50
MAY	9.35	6.24	73.58	15.89	27.96	30.61	28.36	22.93	70.75	53.24	84.14	46.14	16.50
JUN	11.98	18.54	33.15	34.24	27.98	26.47	24.29	17.71	60.60	45.60	77.55	48.78	16.50
JUL	26.52	37.35	73.75	52.39	16.49	19.54	17.59	22.41	60.39	46.13	76.03	48.64	16.50
AUG	21.68	25.33	37.72	30.58	25.96	49.79	34.08	-5.49	90.07	65.22	102.46	47.69	16.50
SEPT	33.41	37.98	69.77	44.20	27.55	49.42	35.03	2.36	81.54	59.38	102.92	48.88	16.50
OCT	14.42	27.37	31.59	29.18	101.00	99.03	99.78	13.33	114.08	93.13	125.57	89.15	16.50
NOV	-6.05	11.29	-19.50	12.46	49.98	43.36	47.41	6.53	70.84	53.19	98.31	49.42	16.50
DEC	3.96	13.95	9.77	17.46	23.92	28.95	25.46	-11.05	60.19	54.08	52.65	35.97	16.50

(a) Pentanes Plus obtained as a specification gas product,
(b) Propane and Butane obtained as specification products, and
(c) Pentanes Plus, Propane and Butane contained in a natural gas liquids mix.

Note: For details on "Prior Period Amendment Effects", see Attachment 2A.

PRIOR PERIOD AMENDMENT EFFECTS			
NGL REFERENCE PRICES	December 2008		
	Propane	*Butanes*	*Pentanes*
Price before amendments	200.680174	273.659204	327.852337
Opening Rollover (from prior business mth)	-0.000952	-10.782881	-0.002377
Prior Period Amendment Adj. (NGL-100)	0.752730	0.000000	0.000000
Published Reference Price	**201.43**	**262.88**	**327.85**

TRANSPORTATION ALLOWANCES	December 2008											
	Pentanes Plus				Propane and Butane				Pentanes Plus, Propane & Butane			
AMENDMENTS	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4
Opening Rollover (from prior business mth)	-0.000618	-0.001487	-0.000139	-0.002494	0.000937	0.004972	-0.002338	0.002088	0.000326	-0.004518	0.003537	0.000020
Prior Period Amendment Adj. (NGL-100)	0.366139	-1.925512	0.000000	0.000000	-1.059184	2.758983	0.284382	0.752730	0.297239	0.295559	0.255038	0.343912
Total Amendment Effect	0.365521	-1.926999	-0.000139	-0.002494	-1.058247	2.763955	0.282044	0.754818	0.297565	0.291041	0.258575	0.343932
Calculated Transp. Differential	3.590643	15.873238	9.771154	17.464249	24.977728	26.188894	25.175728	-11.805584	59.888467	53.786494	52.389700	35.625556
Calculated Transp. Differential after Total Amendments	3.956164	13.946239	9.771015	17.461755	23.919481	28.952849	25.457772	-11.050766	60.186032	54.077535	52.648275	35.969488
Published Transportation Allowance	**3.96**	**13.95**	**9.77**	**17.46**	**23.92**	**28.95**	**25.46**	**-11.05**	**60.19**	**54.08**	**52.65**	**35.97**

2008
ROYALTY RATES

MONTH	METHANE-OLD (% per GJ)	METHANE-NEW (% per GJ)	ETHANE - OLD (% per GJ)+	ETHANE - NEW (% per GJ)	PROPANE (% per m^3)	BUTANES (% per m^3)	PENTANES – OLD (POL) (% per m^3)	PENTANES - NEW (PNE) (% per m^3)
JAN	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	47.56587	33.86987
FEB	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	47.59147	33.88175
MAR	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	47.86095	34.00687
APR	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	48.09344	34.11481
MAY	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	48.21037	34.16910
JUN	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	48.30651	34.21374
JUL	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	48.24570	34.18550
AUG	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	48.07484	34.10617
SEPT	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	47.82045	33.98807
OCT	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	47.26524	33.73029
NOV	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	46.36078	33.31036
DEC	35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	45.28589	32.81131

2008

	Gas Reference Price: $/GJ
January	6.19
February	6.72
March	7.52
April	8.11
May	8.92
June	9.81
July	9.84
August	7.35
September	6.28
October	6.27
November	6.25
December	6.36

2008
Weighted Average OMAC -Type Charges: $0.019/GJ
Weighted Average Gas Reference Price: $7.412/GJ

2007

	Gas Reference Price: $/GJ
January	6.27
February	6.82
March	6.92
April	6.74
May	6.61
June	6.21
July	5.43
August	4.81
September	4.42
October	4.96
November	5.54
December	5.85

2007
Weighted Average OMAC -Type Charges: $0.019/GJ
Weighted Average Gas Reference Price: $5.892/GJ

2006

	Gas Reference Price: $/GJ
January	9.52
February	7.38
March	6.47
April	6.18
May	5.71
June	5.29
July	5.22
August	5.84
September	5.12
October	4.40
November	6.51
December	7.05

2006
Weighted Average OMAC -Type Charges: $0.020/GJ
Weighted Average Gas Reference Price: $6.260/GJ

2005

	Gas Reference Price: $/GJ
January	6.02
February	5.94
March	6.30
April	6.79
May	6.51
June	6.34
July	6.87
August	7.45
September	9.46
October	11.38
November	10.81
December	10.54

2005
Weighted Average OMAC -Type Charges: $0.023/GJ
Weighted Average Gas Reference Price: $7.935/GJ

2008

	Ethane Reference Price: $/GJ	Ethane Par Price: $/GJ	Crown Royalty Rate Old Ethane	Crown Royalty Rate New Ethane
January	6.61	6.61	35.00000	30.00000
February	7.20	7.20	35.00000	30.00000
March	8.09	8.09	35.00000	30.00000
April	8.64	8.64	35.00000	30.00000
May	9.43	9.43	35.00000	30.00000
June	10.36	10.36	35.00000	30.00000
July	10.05	10.05	35.00000	30.00000
August	7.72	7.72	35.00000	30.00000
September	6.47	6.47	35.00000	30.00000
October	6.54	6.54	35.00000	30.00000
November	6.69	6.69	35.00000	30.00000
December	6.69	6.69	35.00000	30.00000

2008
Old Ethane Select Price: $0.441/GJ
New Ethane Select Price:$1.496/GJ
Weighted Average OMAC -Type Charges: $0.019/GJ
Weighted Average Gas Reference Price: $7.412/GJ

2007

	Ethane Reference Price: $/GJ	Ethane Par Price: $/GJ	Crown Royalty Rate Old Ethane	Crown Royalty Rate New Ethane
January	6.61	6.61	35.00000	30.00000
February	7.14	7.14	35.00000	30.00000
March	7.17	7.17	35.00000	30.00000
April	7.07	7.07	35.00000	30.00000
May	6.94	6.94	35.00000	30.00000
June	6.37	6.37	35.00000	30.00000
July	5.65	5.65	35.00000	30.00000
August	5.04	5.04	35.00000	30.00000
September	4.78	4.78	35.00000	30.00000
October	5.39	5.39	35.00000	30.00000
November	5.89	5.89	35.00000	30.00000
December	6.30	6.30	35.00000	30.00000

2007
Old Ethane Select Price: $0.427/GJ
New Ethane Select Price:$1.450/GJ
Weighted Average OMAC -Type Charges: $0.019/GJ
Weighted Average Gas Reference Price: $5.892/GJ

2006

	Ethane Reference Price: $/GJ	Ethane Par Price: $/GJ	Crown Royalty Rate Old Ethane	Crown Royalty Rate New Ethane
January	9.33	9.33	35.00000	30.00000
February	7.58	7.58	35.00000	30.00000
March	6.67	6.67	35.00000	30.00000
April	6.31	6.31	35.00000	30.00000
May	5.77	5.77	35.00000	30.00000
June	5.57	5.57	35.00000	30.00000
July	5.48	5.48	35.00000	30.00000
August	6.06	6.06	35.00000	30.00000
September	5.14	5.14	35.00000	30.00000
October	4.82	4.82	35.00000	30.00000
November	6.86	6.86	35.00000	30.00000
December	7.17	7.17	35.00000	30.00000

2006
Old Ethane Select Price: $0.418/GJ
New Ethane Select Price:$1.419/GJ
Weighted Average OMAC -Type Charges: $0.020/GJ
Weighted Average Gas Reference Price: $6.260/GJ

2005

	Ethane Reference Price: $/GJ	Ethane Par Price: $/GJ	Crown Royalty Rate Old Ethane	Crown Royalty Rate New Ethane
January	6.22	6.22	35.00000	30.00000
February	6.22	6.22	35.00000	30.00000
March	6.74	6.74	35.00000	30.00000
April	7.10	7.10	35.00000	30.00000
May	6.82	6.82	35.00000	30.00000
June	6.73	6.73	35.00000	30.00000
July	7.19	7.19	35.00000	30.00000
August	8.10	8.10	35.00000	30.00000
September	10.16	10.16	35.00000	30.00000
October	11.78	11.78	35.00000	30.00000
November	10.53	10.53	35.00000	30.00000
December	11.01	11.01	35.00000	30.00000

2005
Old Ethane Select Price: $0.405/GJ
New Ethane Select Price:$1.376/GJ
Weighted Average OMAC -Type Charges: $0.023/GJ
Weighted Average Gas Reference Price: $7.935/GJ

2008

	Methane Reference Price: $/GJ	Methane Par Price: $/GJ	Crown Royalty Rate Old Methane	Crown Royalty Rate New Methane
January	6.13	6.13	35.00000	30.00000
February	6.66	6.66	35.00000	30.00000
March	7.45	7.45	35.00000	30.00000
April	8.05	8.05	35.00000	30.00000
May	8.86	8.86	35.00000	30.00000
June	9.75	9.75	35.00000	30.00000
July	9.82	9.82	35.00000	30.00000
August	7.31	7.31	35.00000	30.00000
September	6.26	6.26	35.00000	30.00000
October	6.24	6.24	35.00000	30.00000
November	6.21	6.21	35.00000	30.00000
December	6.32	6.32	35.00000	30.00000

New Methane Select Price: $1.496/GJ

2007

	Methane Reference Price: $/GJ	Methane Par Price: $/GJ	Crown Royalty Rate Old Methane	Crown Royalty Rate New Methane
January	6.22	6.22	35.00000	30.00000
February	6.78	6.78	35.00000	30.00000
March	6.88	6.88	35.00000	30.00000
April	6.70	6.70	35.00000	30.00000
May	6.56	6.56	35.00000	30.00000
June	6.19	6.19	35.00000	30.00000
July	5.40	5.40	35.00000	30.00000
August	4.78	4.78	35.00000	30.00000
September	4.38	4.38	35.00000	30.00000
October	4.90	4.90	35.00000	30.00000
November	5.50	5.50	35.00000	30.00000
December	5.79	5.79	35.00000	30.00000

2007
Old Methane Select Price: $0.427/GJ
New Methane Select Price: $1.450/GJ

2006

	Methane Reference Price: $/GJ	Methane Par Price: $/GJ	Crown Royalty Rate Old Methane	Crown Royalty Rate New Methane
January	9.56	9.56	35.00000	30.00000
February	7.36	7.36	35.00000	30.00000
March	6.46	6.46	35.00000	30.00000
April	6.17	6.17	35.00000	30.00000
May	5.70	5.70	35.00000	30.00000
June	5.26	5.26	35.00000	30.00000
July	5.19	5.19	35.00000	30.00000
August	5.81	5.81	35.00000	30.00000
September	5.12	5.12	35.00000	30.00000
October	4.33	4.33	35.00000	30.00000
November	6.46	6.46	35.00000	30.00000
December	7.03	7.03	35.00000	30.00000

2006
Old Methane Select Price: $0.418/GJ
New Methane Select Price: $1.419/GJ

2005

	Methane Reference Price: $/GJ	Methane Par Price: $/GJ	Crown Royalty Rate Old Methane	Crown Royalty Rate New Methane
January	5.99	5.99	35.00000	30.00000
February	5.91	5.91	35.00000	30.00000
March	6.24	6.24	35.00000	30.00000
April	6.75	6.75	35.00000	30.00000
May	6.49	6.49	35.00000	30.00000
June	6.29	6.29	35.00000	30.00000
July	6.82	6.82	35.00000	30.00000
August	7.36	7.36	35.00000	30.00000
September	9.38	9.38	35.00000	30.00000
October	11.36	11.36	35.00000	30.00000
November	10.85	10.85	35.00000	30.00000
December	10.47	10.47	35.00000	30.00000

2005
Old Methane Select Price: $0.405/GJ

2008

	Pentanes Plus Reference Price: $/M3	Pentanes Plus Par Price: $/M3	Crown Royalty Rate Old Pentanes	Crown Royalty Rate New Pentanes
January	631.90	615.30	47.56587	33.86987
February	642.42	621.84	47.59147	33.88175
March	722.53	700.18	47.86095	34.00687
April	803.40	785.56	48.09344	34.11481
May	852.62	836.89	48.21037	34.16910
June	904.18	884.40	48.30651	34.21374
July	891.11	853.74	48.24570	34.18550
August	803.56	777.97	48.07484	34.10617
September	726.70	687.17	47.82045	33.98807
October	570.63	547.66	47.26524	33.73029
November	412.32	411.55	46.36078	33.31036
December	327.85	317.71	45.28589	32.81131

2008 Pentanes Plus Select Price: $53.49/M3

2007

	Pentanes Plus Reference Price: $/M3	Pentanes Plus Par Price: $/M3	Crown Royalty Rate Old Pentanes	Crown Royalty Rate New Pentanes
January	430.65	411.32	46.47107	33.36157
February	452.58	448.57	46.76412	33.49763
March	456.95	451.65	46.78618	33.50787
April	487.95	458.50	46.83420	33.53016
May	477.15	452.30	46.79080	33.51002
June	464.31	465.23	46.87999	33.55143
July	549.79	539.28	47.30841	33.75033
August	525.63	502.16	47.10945	33.65796
September	549.61	538.78	47.30591	33.74917
October	555.68	540.86	47.31627	33.75398
November	592.99	577.74	47.48759	33.83352
December	619.02	616.50	47.64555	33.90686

2007 Pentanes Plus Select Price: $51.84/M3

2006

	Pentanes Plus Reference Price: $/M3	Pentanes Plus Par Price: $/M3	Crown Royalty Rate	
			Old Pentanes	New Pentanes
January	484.39	477.02	47.02226	33.61748
February	468.40	441.89	46.78553	33.50757
March	468.85	457.27	46.89365	33.55777
April	545.33	524.82	47.29347	33.74340
May	529.03	507.26	47.19978	33.69990
June	557.91	516.67	47.25078	33.72358
July	564.17	538.62	47.36282	33.77559
August	530.10	511.93	47.22532	33.71176
September	443.64	429.71	46.69442	33.46527
October	431.87	410.21	46.53729	33.39231
November	399.49	397.29	46.42468	33.34003
December	478.01	453.50	46.86783	33.54578

2006 Pentanes Plus Select Price: $50.73/M3

2005

	Pentanes Plus Reference Price: $/M3	Pentanes Plus Par Price: $/M3	Crown Royalty Rate	
			Old Pentanes	New Pentanes
January	420.54	392.96	46.49501	33.37268
February	466.37	434.07	46.82696	33.52680
March	466.81	449.92	46.93874	33.57870
April	458.62	435.93	46.84050	33.53309
May	419.68	399.43	46.55179	33.39904
June	450.01	436.18	46.84231	33.53393
July	467.36	447.74	46.92384	33.57178
August	534.52	512.86	47.31443	33.75313
September	535.02	500.47	47.24795	33.72226
October	480.27	472.62	47.08578	33.64697
November	478.50	456.87	46.98531	33.60032
December	462.16	447.43	46.92171	33.57079

2005 Pentanes Plus Select Price: $49.19/M3

2008

	Propane Reference Price: $/M3	Propane Floor Price: $/M3	Crown Royalty Rate
January	379.50	324.38	30.00000
February	372.15	326.74	30.00000
March	366.78	336.54	30.00000
April	391.64	359.16	30.00000
May	417.08	383.50	30.00000
June	431.45	404.71	30.00000
July	440.23	410.70	30.00000
August	395.10	383.85	30.00000
September	388.49	367.84	30.00000
October	295.14	282.02	30.00000
November	226.90	221.36	30.00000
December	201.43	184.67	30.00000

2007

	Propane Reference Price: $/M3	Propane Floor Price: $/M3	Crown Royalty Rate
January	275.42	210.69	30.00000
February	286.81	236.16	30.00000
March	290.24	246.22	30.00000
April	298.40	265.81	30.00000
May	300.05	269.46	30.00000
June	290.16	264.03	30.00000
July	298.16	271.65	30.00000
August	302.24	274.83	30.00000
September	323.39	289.55	30.00000
October	343.84	302.39	30.00000
November	372.80	328.66	30.00000
December	379.52	330.55	30.00000

2006

	Propane Reference Price: $/M3	Propane Floor Price: $/M3	Crown Royalty Rate
January	289.22	240.07	30.00000
February	248.16	213.28	30.00000
March	254.40	213.86	30.00000
April	286.26	248.88	30.00000
May	279.81	247.11	30.00000
June	287.72	258.60	30.00000
July	313.36	281.70	30.00000
August	305.03	275.34	30.00000
September	269.07	240.91	30.00000
October	263.50	228.69	30.00000
November	267.41	232.98	30.00000
December	267.75	228.13	30.00000

2005

	Propane Reference Price: $/M3	Propane Floor Price: $/M3	Crown Royalty Rate
January	213.42	182.74	30.00000
February	212.28	181.37	30.00000
March	252.62	211.93	30.00000
April	247.29	222.85	30.00000
May	242.50	218.28	30.00000
June	269.28	227.24	30.00000
July	260.68	234.97	30.00000
August	269.38	248.21	30.00000
September	337.00	288.79	30.00000
October	332.72	296.99	30.00000
November	302.47	259.62	30.00000
December	325.26	265.35	30.00000

2008

	Butane Reference Price: $/M3	Butane Floor Price: $/M3	Crown Royalty Rate
January	533.35	402.11	30.00000
February	510.61	361.31	30.00000
March	536.12	370.17	30.00000
April	570.73	402.66	30.00000
May	600.75	446.12	30.00000
June	637.23	475.15	30.00000
July	643.13	455.54	30.00000
August	635.03	436.09	30.00000
September	547.47	365.29	30.00000
October	502.35	276.16	30.00000
November	332.63	192.71	30.00000
December	262.88	142.61	30.00000

2007

	Butane Reference Price: $/M3	Butane Floor Price: $/M3	Crown Royalty Rate
January	308.33	252.50	30.00000
February	306.63	266.25	30.00000
March	316.86	281.98	30.00000
April	361.88	315.93	30.00000
May	375.34	335.19	30.00000
June	352.06	304.35	30.00000
July	344.18	303.07	30.00000
August	359.69	306.23	30.00000
September	391.12	341.59	30.00000
October	401.68	346.37	30.00000
November	476.88	378.38	30.00000
December	489.83	408.85	30.00000

2006

	Butane Reference Price: $/M3	Butane Floor Price: $/M3	Crown Royalty Rate
January	394.52	329.84	30.00000
February	370.63	279.57	30.00000
March	362.89	272.66	30.00000
April	390.67	290.57	30.00000
May	376.44	283.32	30.00000
June	377.94	295.08	30.00000
July	402.10	315.61	30.00000
August	402.10	317.45	30.00000
September	366.43	268.30	30.00000
October	320.32	254.10	30.00000
November	311.40	255.81	30.00000
December	319.30	262.85	30.00000

2005

	Butane Reference Price: $/M3	Butane Floor Price: $/M3	Crown Royalty Rate
January	286.23	229.22	30.00000
February	299.63	230.67	30.00000
March	319.32	247.32	30.00000
April	285.54	266.90	30.00000
May	256.14	235.69	30.00000
June	265.16	245.76	30.00000
July	312.47	267.01	30.00000
August	326.52	290.64	30.00000
September	393.15	325.62	30.00000
October	419.89	346.15	30.00000
November	372.87	322.41	30.00000
December	383.36	343.87	30.00000

SULPHUR DEFAULT PRICE ($ PER TONNE)

	2008	2007	2006	2005	2004	Crown Royalty Rate
January	189.25	11.18	27.53	30.62	26.73	16.66667
February	233.95	13.94	29.48	35.01	24.94	16.66667
March	156.12	11.18	31.39	32.65	32.65	16.66667
April	319.79	9.44	25.41	29.86	30.26	16.66667
May	441.28	19.63	24.31	36.22	37.15	16.66667
June	383.60	13.38	21.78	37.47	37.27	16.66667
July	558.76	35.65	18.77	37.13	34.15	16.66667
August	493.76	39.52	14.09	36.92	39.37	16.66667
September	456.74	39.91	16.45	34.38	28.05	16.66667
October	112.35	78.58	14.99	34.54	39.90	16.66667
November	185.59	59.14	9.05	30.19	27.73	16.66667
December	34.43	96.87	12.89	32.20	27.43	16.66667
Annual Sulphur Default Price		32.82	18.82	33.98	31.88	

TRANSPORTATION ALLOWANCE AND DEDUCTIONS.: $/m3

2008	Pentanes Plus Region				Propane & Butanes Region				Pentanes Plus, Propanes & Butanes				Frac.
	1	2	3	4	1	2	3	4	1	2	3	4	Allow
January	17.37	-0.22	62.47	29.39	35.99	24.98	32.04	15.08	44.40	38.81	63.16	51.03	16.50
February	13.43	3.95	64.16	30.61	34.76	29.17	25.89	13.45	52.91	46.63	53.16	50.46	16.50
March	0.67	16.56	94.84	41.39	36.16	45.23	35.64	15.92	60.46	56.46	92.37	60.25	16.50
April	14.81	5.88	82.39	12.17	26.49	37.71	48.56	27.73	74.50	62.42	92.34	74.22	16.50
May	9.35	6.24	73.58	15.89	27.96	30.61	28.36	22.93	70.75	53.24	84.14	46.14	16.50
June	11.98	18.54	33.15	34.24	27.98	26.47	24.29	17.71	60.60	45.60	77.55	48.78	16.50
July	26.52	37.35	73.75	52.39	16.49	19.54	17.59	22.41	60.39	46.13	76.03	48.64	16.50
August	21.68	25.33	37.72	30.58	25.96	49.79	34.08	-5.49	90.07	65.22	102.46	47.69	16.50
September	33.41	37.98	69.77	44.20	27.55	49.42	35.03	2.36	81.54	59.38	102.92	48.88	16.50
October	14.42	27.37	31.59	29.18	101.00	99.03	99.78	13.33	114.08	93.13	125.57	89.15	16.50
November	-6.05	11.29	-19.50	12.46	49.98	43.36	47.41	6.53	70.84	53.19	98.31	49.42	16.50
December	3.96	13.95	9.77	17.46	23.92	28.95	25.46	-11.05	60.19	54.08	52.65	35.97	16.50

TRANSPORTATION ALLOWANCE AND DEDUCTIONS.: $/m3

2007	Pentanes Plus Region				Propane & Butanes Region				Pentanes Plus, Propanes & Butanes				Frac.
	1	2	3	4	1	2	3	4	1	2	3	4	Allow
January	21.10	17.07	34.15	13.26	31.36	8.32	-2.27	27.27	25.74	24.74	37.79	26.71	15.50
February	7.24	5.39	36.37	-11.68	13.17	3.82	45.20	8.58	15.33	16.84	20.02	12.43	15.50
March	10.34	5.48	20.97	-1.33	14.54	6.60	28.87	7.34	18.27	16.09	34.94	15.56	15.50
April	21.46	35.11	40.75	36.78	56.23	-14.42	16.58	10.84	22.53	25.12	37.71	27.53	15.50
May	25.70	7.78	51.49	31.44	9.86	3.96	27.95	10.35	21.25	19.89	34.76	22.59	15.50
June	-10.05	-7.64	40.12	0.41	9.66	5.81	23.65	10.01	15.03	12.66	21.09	14.64	15.50
July	32.66	-14.71	55.16	19.00	5.49	10.12	-12.78	12.51	33.57	22.98	38.91	32.35	15.50
August	26.17	4.36	53.26	29.86	8.34	9.91	27.38	5.32	27.84	28.27	43.84	26.59	15.50
September	15.38	-14.60	51.24	19.10	10.00	6.45	30.34	11.75	27.42	18.76	52.69	24.24	15.50
October	15.53	3.21	34.32	24.45	8.43	-0.56	11.25	17.01	25.39	19.56	36.40	23.92	15.50
November	15.70	8.59	35.43	18.55	23.26	11.53	7.53	20.45	36.34	41.33	55.38	36.51	15.50
December	9.62	-18.81	60.32	8.80	15.77	8.93	143.90*	18.20	35.19	28.13	57.13	37.93	15.50

TRANSPORTATION ALLOWANCE AND DEDUCTIONS.: $/m3

2006	Pentanes Plus Region				Propane & Butanes Region				Pentanes Plus, Propanes & Butanes				Frac.
	1	2	3	4	1	2	3	4	1	2	3	4	Allow
January	-0.90	13.92	10.05	18.08	18.72	-1.58	-33.18	-18.57	17.78	14.75	35.26	16.39	15.50
February	24.88	25.25	34.62	26.47	10.17	-2.24	-57.23	-19.17	18.42	13.68	31.79	18.91	15.50
March	14.23	10.00	32.47	4.43	12.33	6.56	3.05	-2.25	20.08	16.58	22.76	19.67	15.50
April	16.82	16.81	36.92	26.20	8.13	4.05	4.42	3.86	18.80	24.73	22.81	27.82	15.50
May	21.44	17.83	34.47	26.88	7.50	0.28	-5.71	1.91	17.91	17.74	17.30	23.38	15.50
June	43.47	23.21	58.72	48.53	11.04	8.25	3.62	3.89	39.43	25.73	31.26	24.21	15.50
July	25.15	20.49	48.28	19.48	14.52	5.93	12.23*	6.56	31.03	17.24	30.26	23.09	15.50
August	22.34	13.57	22.42	12.02	6.13	-0.40	-13.90	4.17	5.48	6.47	11.26	14.65	15.50
September	7.15	14.00	37.82	22.86	15.20	-0.29	11.19*	-0.03	2.90	5.70	0.43	12.06	15.50
October	17.73	32.23	44.58	8.15	18.24	1.49	17.20	8.30	16.16	15.89	28.60	14.69	15.50
November	-0.97	8.10	7.39	-2.38	20.47	-0.31	15.65*	7.12	3.83	7.19	21.79	6.17	15.50
December	27.00	13.24	27.66	35.31	13.81	-0.17	-28.93	3.29	15.24	15.19	31.23	13.02	15.50

TRANSPORTATION ALLOWANCE AND DEDUCTIONS.: $/m3

2005	Pentanes Plus Region				Propane & Butanes Region				Pentanes Plus, Propanes & Butanes				Frac.
	1	2	3	4	1	2	3	4	1	2	3	4	Allow
January	28.06	14.75	41.69	35.31	12.05	1.32	9.29*	4.47	29.23	30.73	40.55	25.96	11.50
February	28.42	21.08	34.92	50.06	13.03	3.86	10.67*	7.22	35.95	40.12	48.36	31.01	11.50
March	16.72	2.34	23.40	33.49	20.22	9.27	-13.09	10.32	14.58	27.11	38.77	22.73	11.50
April	22.18	8.43	33.66	34.13	3.94	-8.13	-18.36	-2.09	11.48	17.04	26.24	12.67	11.50
May	15.27	16.96	37.88	22.82	2.15	-7.78	-24.30	-11.43	8.47	8.08	20.93	12.16	11.50
June	8.40	13.57	15.85	25.21	15.42	7.73	-2.82	6.52	16.11	12.73	22.15	20.50	11.50
July	16.39	18.24	42.50	15.13	15.17	3.19	-27.33	-23.36	22.65	21.58	41.87	22.87	11.50
August	27.06	5.53	37.70	17.63	10.64	-3.51	-37.14	-16.44	24.40	25.34	44.40	22.65	11.50
September	34.08	26.94	54.00	32.97	30.17	17.04	19.45	30.23	35.97	37.44	53.12	39.82	11.50
October	7.47	3.51	9.62	13.71	25.37	3.40	-25.81	-4.25	22.24	21.34	38.98	27.72	11.50
November	23.93	12.98	30.82	21.50	15.92	-2.64	-35.30	-16.72	28.49	27.77	44.08	28.42	11.50
December	14.74	13.00	13.29	17.54	21.61	2.30	-19.39	8.57	28.01	26.59	45.54	35.86	11.50

NATURAL GAS DIVISION
INTEREST RATES = ATB FINANCIAL PRIME + 1%

	2009	2008	2007	2006	2005	2004	2003
Jan.	4.50	7.00	7.00	6.00	5.25	5.50	5.50
Feb.	4.00	6.75	7.00	6.25	5.25	5.25	5.50
Mar.		6.75	7.00	6.25	5.25	5.25	5.50
April		6.25	7.00	6.50	5.25	5.00	5.75
May		5.75	7.00	6.75	5.25	4.75	6.00
June		5.75	7.00	7.00	5.25	4.75	6.00
July		5.75	7.00	7.00	5.25	4.75	6.00
Aug.		5.75	7.25	7.00	5.25	4.75	5.75
Sept.		5.75	7.25	7.00	5.25	4.75	5.75
Oct.		5.75	7.25	7.00	5.50	5.00	5.50
Nov.		5.00	7.25	7.00	5.75	5.25	5.50
Dec.		5.00	7.25	7.00	5.75	5.25	5.50

Prepared by Gas Royalty Calculation

AC2 - Custom Processing Adjustment Factor Allocations

ABGP0001004	ABGP0001233	ABGP0001560	ABGP0001863	ABGS0003214
ABGP0001013	ABGP0001267	ABGP0001561	ABGP0001868	ABGS0003268
ABGP0001021	ABGP0001270	ABGP0001562	ABGP0001874	ABGS0003280
ABGP0001024	ABGP0001279	ABGP0001566	ABGP0001875	ABGS0003319
ABGP0001034	ABGP0001292	ABGP0001577	ABGP0001880	ABGS0003333
ABGP0001036	ABGP0001296	ABGP0001609	ABGP0001886	ABGS0003543
ABGP0001037	ABGP0001309	ABGP0001612	ABGP0001892	ABGS0003592
ABGP0001057	ABGP0001311	ABGP0001617	ABGP0001895	ABGS0003642
ABGP0001058	ABGP0001316	ABGP0001624	ABGP0001960	ABGS0003651
ABGP0001067	ABGP0001322	ABGP0001625	ABGP0001962	ABGS0003686
ABGP0001070	ABGP0001326	ABGP0001629	ABGP0001976	ABGS0003739
ABGP0001079	ABGP0001335	ABGP0001630	ABGP0001984	ABGS0003787
ABGP0001082	ABGP0001340	ABGP0001634	ABGP0001985	ABGS0003849
ABGP0001084	ABGP0001343	ABGP0001645	ABGP0001987	ABGS0003969
ABGP0001088	ABGP0001345	ABGP0001646	ABGP0001997	ABGS0003990
ABGP0001096	ABGP0001350	ABGP0001661	ABGS0002207	ABGS0004088
ABGP0001101	ABGP0001351	ABGP0001664	ABGS0002282	ABGS0004165
ABGP0001103	ABGP0001355	ABGP0001666	ABGS0002323	ABGS0004168
ABGP0001107	ABGP0001357	ABGP0001667	ABGS0002369	ABGS0004225
ABGP0001108	ABGP0001360	ABGP0001668	ABGS0002382	ABGS0004226
ABGP0001110	ABGP0001364	ABGP0001669	ABGS0002392	ABGS0004249
ABGP0001112	ABGP0001380	ABGP0001683	ABGS0002396	ABGS0004263
ABGP0001121	ABGP0001383	ABGP0001686	ABGS0002419	ABGS0004274
ABGP0001125	ABGP0001391	ABGP0001692	ABGS0002437	ABGS0004321
ABGP0001129	ABGP0001392	ABGP0001693	ABGS0002438	ABGS0004364
ABGP0001130	ABGP0001402	ABGP0001695	ABGS0002443	ABGS0004385
ABGP0001134	ABGP0001404	ABGP0001696	ABGS0002491	ABGS0004412
ABGP0001135	ABGP0001417	ABGP0001697	ABGS0002516	ABGS0004432
ABGP0001139	ABGP0001427	ABGP0001698	ABGS0002517	ABGS0004497
ABGP0001141	ABGP0001429	ABGP0001714	ABGS0002570	ABGS0004510
ABGP0001144	ABGP0001468	ABGP0001720	ABGS0002652	ABGS0004538
ABGP0001147	ABGP0001472	ABGP0001730	ABGS0002653	ABGS0004568
ABGP0001149	ABGP0001482	ABGP0001740	ABGS0002669	ABGS0004585
ABGP0001153	ABGP0001486	ABGP0001746	ABGS0002700	ABGS0004587
ABGP0001156	ABGP0001497	ABGP0001748	ABGS0002704	ABGS0004649
ABGP0001159	ABGP0001506	ABGP0001761	ABGS0002745	ABGS0004850
ABGP0001163	ABGP0001511	ABGP0001766	ABGS0002751	ABGS0004854
ABGP0001166	ABGP0001520	ABGP0001774	ABGS0002800	ABGS0004860
ABGP0001169	ABGP0001522	ABGP0001775	ABGS0002823	ABGS0004863
ABGP0001172	ABGP0001524	ABGP0001789	ABGS0002848	ABGS0006052
ABGP0001184	ABGP0001527	ABGP0001791	ABGS0002880	ABGS0006055
ABGP0001202	ABGP0001532	ABGP0001792	ABGS0002889	ABGS0006057
ABGP0001217	ABGP0001537	ABGP0001853	ABGS0002988	ABGS0006074
ABGP0001222	ABGP0001548	ABGP0001854	ABGS0003030	ABGS0006097
ABGP0001224	ABGP0001549	ABGP0001858	ABGS0003040	ABGS0006370
ABGP0001227	ABGP0001550	ABGP0001862	ABGS0003045	ABGS0078357
ABGP0001131	ABGP0001069	ABGP0001133		